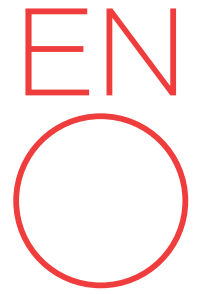


Report and financial statements

for the year ended 31 July 2019



A Charitable Company Registered in England:
Number 426792 and Limited by Guarantee

Registered Charity Number: 257210

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The financial statements are on pages 18 – 35.

Legal and administrative information

President

Sir Vernon Ellis

Board of Trustees

At Date of Signature

Chair

Dr Henry Brunjes

Adiba Anyaoku Ighodaro (Appointed 13 February 2020)

Nicholas Addyman

Sally Burgess

Patricia Dimond

Philip Edgar-Jones

Louise Jeffreys

Catherine May (Resigned 10 July 2019)

Huw Van Steenis

Lord Sumption

Patricia White

Stuart Anthony Whitworth-Jones

Nicholas Allan (Resigned 6 June 2019)

Sally Osman (Appointed 31 July 2019)

Secretary to the Board

John Cooke

Executive Officers

Chief Executive Officer

Stuart Murphy

Artistic Director

Annilese Miskimmon (Appointed 11 May 2020)

Music Director

Martyn Brabbins

Chief Operating Officer

Karen Watson

Senior Management Team

Associate Artistic Director

Bob Holland

Director of Commercial

Gary England

Director of Development

Andrew Given

Director Orchestra and Music Department

Richard Meads

Technical Director

Matt Noddings

Director of Marketing and Audience Engagement

Carolyn Sims

Director of Communications

Olivia Pay

Director of Facilities

Neil Lagden

Director of People

Vinita Suryanarayanan

Registered and Principal Office

London Coliseum, St Martin's Lane,

London WC2N 4ES

Solicitors

Bates Wells

10 Queen Street Place,

London EC4R 1BE

Bankers

Coutts & Co.

440 Strand, London WC2R 0QS

Auditor

Grant Thornton UK LLP

Statutory Auditor

30 Finsbury Square, London EC2A 1AG

A Company registered in England no.426792, limited by Guarantee and constituted under the Companies Acts and Memorandum and Articles of Association. Registered Charity no. 257210

Trustees' report

for the year ended 31 July 2019

Chairman's statement, August, 2020

Dear Patron,

Prior to releasing our accounts for July 31, 2019 we were impacted by the unprecedented upheaval of Covid-19 which continues to unfold in the UK and around the world. It is during these difficult times the role, values and social purpose of companies come into sharp focus. At the ENO we continue to operate within the confines of the guidance from the UK Government, the Charity Commission and the Arts Council of England.

We have prioritised the health and safety of our colleagues, performers and audiences. The team has worked diligently to mitigate the impact of Covid-19 on the continuing operations of the company. In particular I thank them, along with the Board of Trustees, for the work that they have done and will continue to do, to protect the value of the Company and its commitment to the future of Opera in these uncertain times.

The Trustees (who are also Directors for Companies Act purposes) present their annual report and consolidated financial statements of English National Opera (ENO) and its subsidiary undertakings, English National Opera Trading Limited and English National Opera Productions Limited, together with the report of the independent auditor, for the year ended 31 July 2019.

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015) and applicable accounting standards in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015, and the Companies Act 2006.

Objectives and public benefit

Our vision

Lives changed through opera.

Our mission

ENO exists for everyone, creating new experiences with opera that inspire, nurture creativity and make a difference.

Our mission objectives

We take a fresh inspiring approach to opera to reflect the diversity of our culture.

We sing in English, as we believe it enhances the emotional connection between performers and audiences.

We encourage creativity throughout the company and our commitment to the future of opera provides a platform to develop outstanding careers.

We connect to audiences through inspiring, accessible, world-class opera and stimulating, creative participation programmes.

We work with a wide range of visiting companies to generate essential revenue and welcome new audiences to share the experience of our theatre.

Trustees' report

for the year ended 31 July 2019

Public benefit

In developing its plans ENO has given regard to the Charity Commission Guidance on public benefit, including the guidance on public benefit and fee charging. ENO focuses on delivering the widest public benefit in many ways, including:

- Commitment to developing new audiences for opera;
- An adventurous programme of distinctive and dynamic work that would not otherwise be seen in the UK;
- Supporting and developing UK opera talent and the wider creative economy through the engagement of talent from across the arts;
- Development and nurturing of British talent, 89% of the cast in the 2018-19 season were British or British trained. ENO creates opportunities on stage and through training and development programmes as outlined in the Achievements and Performance section below;
- Accessibility to opera for everyone through affordable ticket pricing, an open and friendly attitude and performances presented in English;
- Developing engagement and participation through learning and participation projects such as ENO Opera Squad (see Achievements and Performance);
- Celebrating the UK creative industries abroad through international collaborations and ENO's work travelling overseas; and
- The development of the opera art-form through the commission and presentation of contemporary opera including works by living composers.

Trustees' report for the year ended 31 July 2019

Strategic Report

Achievements and performance

At the core of ENO's activities is an ambitious and innovative artistic programme that delivers public value. In the year to 31 July 2019, ENO staged 9 main-stage opera productions at the London Coliseum, including a world premiere and a further 4 productions new to London audiences in line with its plans.

ENO continued its Studio Live programme with a performance of *Paul Bunyan* at both Wilton's Music Hall at the beginning of September 2018 and at Alexandra Palace Theatre in May 2019, and collaborated with the Unicorn Theatre for *Dido*, Theatre Royal Stratford East to present *Noye's Fludde* and Regents Park Open Air Theatre for *Hansel and Gretel*.

World class opera

In this period ENO achieved high acclaim across its programme. Highlights included four Olivier Award nominations, with the ensemble of *Porgy and Bess* winning the Outstanding Achievement in Opera category. There were 9 productions at the London Coliseum together with work presented in association with other companies across London.

Additionally, on 10th October 2018 ENO presented a very special evening of performances celebrating the last 50 years of opera in residence at the London Coliseum, titled *Opera for All*.

The artistic programme was as follows:

New Productions

Salome
Porgy and Bess
War Requiem
The Merry Widow
Jack the Ripper – The Women of Whitechapel
 (a world premiere co-produced with Opera North)

Revivals

Lucia di Lammermoor
La bohème
Akhnaten
The Magic Flute

ENO Studio Live

Paul Bunyan

ENO Collaborations

Man of La Mancha in association with Michael Linnit and Michael Grade at the London Coliseum.
Hansel and Gretel with Regent's Park Open Air Theatre,
Dido with the Unicorn Theatre and *Noye's Fludde* with Theatre Royal Stratford East.

International presence

Don Giovanni

A co-production with Norwegian National Opera

The Magic Flute

A co-production with Dutch National Opera

Satyagraha

A rental to LA Opera

Marnie

A co-production with The Metropolitan Opera

Madam Butterfly

License of rights to Wien Staatsoper

Luisa Miller

A co-production with Wuppertal

Porgy and Bess

A co-production with Dutch National Opera

Markopolous Case

A co-production exchange with Bonn Opera

Otello

A rental to Canadian Opera Company

Medea

A co-production with Geneva Opera

Jenůfa

A rental to Santa Fe Opera

Opera for everyone

Across the period ENO staged 85 performances (2018: 95) which attracted a total audience of 150,644 at 75% of capacity (2018: 150,000 at 71% of capacity). ENO's ambition to reach and develop a wider audience has led to date, to 47% of audiences being first time bookers at ENO. The audience development strategy was supported by affordable ticket pricing – particularly the Free Tickets for Under 18s which was launched in January 2019 with 1,500 tickets being claimed. This scheme has now been extended to Saturday and Opening Night performances in addition to Friday.

Trustees' report for the year ended 31 July 2019

Strategic Report

Working with young people

This year ENO Baylis targeted secondary schools in socially and economically deprived areas of London where ENO has a presence (Westminster, Brent and Greenwich), where ENO presents work through co-productions (Lambeth, Tower Hamlets, Newham) and in culturally deprived outer boroughs.

We worked with schools where we could have the most impact, supporting schools that have little arts provision and need help to deliver creative subjects, and helping others that have a committed arts programme to achieve excellence. All the schools we worked with have pupil populations with above London average % BAME, SEN and Free School Meals.

Opera is not part of the education curriculum (apart from brief references in Music A Level) so the onus is on us to help schools imagine and understand how they can benefit from a relationship with an opera company.

We celebrate opera as a form of storytelling that embraces multiple disciplines and deals with the human condition, allowing us to go beyond a focus on music and work across different subjects (notably Drama, Art/Design, English, Citizenship), using opera to nurture creativity and probe questions about human behaviour and contemporary society.

In the current 2018/19 academic year almost 1700 school pupils have taken part in activity with ENO Baylis through in-school creative projects, skills development workshops and masterclasses, industry insight events and work experience, over 7000 school pupils have been exposed to live opera performed in their school, 47 different schools have experienced live opera at ENO through rehearsal visits and free tickets to dress rehearsals and we delivered workshops and events with 26 schools across London.

Opera Squad is our core schools programme, a residency programme that is tailored to each school's needs. Each residency begins with a whole school takeover, detonating opera in every corridor, hallway and classroom and engaging pupils and staff in activity with professional artists. The residency lasts the whole academic year, with activity delivered in school and at ENO, aiming to achieve specific objectives set by each school and build trust and understanding to lay the foundations for a longer relationship.

We delivered 4 residencies this year at the Ark Academy in Brent, Cranford Community College in Hounslow, Mulberry School for Girls in Tower Hamlets and Mulberry UTC & Mulberry Shoreditch Academy also in Tower Hamlets.

We offered each school in-school masterclasses, curriculum-based workshops, creative projects that involve multiple subjects, backstage and rehearsal visits, 120 free tickets for dress rehearsals across the ENO season, teacher networking and nourishment events, resources to support in school learning and work experience opportunities for individual pupils.

Trustees' report for the year ended 31 July 2019

Strategic Report

Creative collaborations

ENO developed and consolidated relationships with outstanding creative talent from across the arts, leading to many creative propositions. These included collaborations with Dutch National Opera for *Porgy and Bess* and Opera North for *Jack the Ripper – The Women of Whitechapel*.

Phelim McDermot returned to ENO to revive *Akhmaten* to record audiences.

Nurture talent

Singers

ENO continues to support British talent through employment – more than 89% of singers and conductors during the period were British born, trained or resident.

ENO's successful ENO Harewood Artist programme for the training and development of talented emerging singers offers bespoke training and development. The singers on the scheme (most of whom had principal roles with ENO during the period) include:

Soprano:
Nadine Benjamin,
Soraya Mafi,
Rowan Pierce

Mezzo:
Katie Stevenson,
Samantha Price
Tenor: William Morgan,
Elgan Llyr Thomas,
David Webb

Baritone/Bass-Baritone:
Matthew Durkan,
David Ireland,
Alex Otterburn,
Božidar Smiljanić

Conducting

During our 18-19 Season, 7 of our 9 Main Stage operas were conducted by British conductors, and those that were not, were conducted by female conductors.

Valentina Peleggi was appointed the ENO Mackerras Fellowship for conducting, and assisted on *Akhmaten*, and conducted performances of *La bohème* in our main stage season as well as conducting *Dido and Aeneas* at the Unicorn. This fellowship celebrates the legacy of Sir Charles Mackerras, ENO Music Director between 1970 and 1977, and continues to provide a unique opportunity for an exceptional emerging conducting talent to develop their skills through a structured two year programme.

ENO Studio Live

Jamie Manton returned to revive *Paul Bunyan* at Alexandra Palace.

Composers

Iain Bell's *Jack the Ripper: The Women of Whitechapel* with a Libretto written by Emma Jenkins received its world premiere during the season, having been commissioned by ENO and Opera North.

Musicians

ENO Evolve, the only training scheme for young orchestral players in an opera company in the UK, continued and ENO provided a unique trainee repetiteur programme to support the development of highly skilled emerging pianists.

A Wellbeing Fund for the Chorus, Orchestra and Music Staff was introduced as a flexible way to maintain their physical and mental wellbeing.

Trustees' report for the year ended 31 July 2019

Strategic Report

Fundraising

The Development Department within English National Opera consists solely of ENO employees, we do not employ external fundraisers. We are registered with the Fundraising Regulator, and comply with the Fundraising Regulator Code of Practice. We are not aware of any failure to comply with that code, and have received no complaints about our fundraising activities. Fundraisers do not make any approaches which intrude upon an individual's privacy, and all members of the department are trained to ensure approaches are handled sensitively.

We focus on raising funds to support the three main strands of ENO's work - productions on stage; training for the rising stars of opera; and learning and participation programmes for young people and schools. We work with a wide range of individuals, companies and grant making organisations to ensure that our work is fully funded.

Some notable successes include the first 'ENO 10k Sponsored Run', involving members of the Orchestra, our board and Chief Executive raising money to support our Learning and Participation programme. Together, they raised £49,000 that will directly impact music education in schools.

Our Annual Match Campaign to support our ENO Harewood Artist programme continues to be successful with all money donated being matched by named major donors.

International Visits to ENO productions around the world are becoming an important fundraising activity, with our supporters visiting Vienna and New York during the year.

We received two significant legacy donations, and we are indebted to the generosity of those long-time supporters.

Our fundraising success during the 18/19 financial year are due to the incredible support of our very generous members, supporters and donors. On behalf of all of us at ENO, thank you to everyone that donated to us this year.

Future plans

ENO's plans are designed with the focus set out under Objectives and Public Benefits, making world-class opera for everyone through creative collaborations, international partnerships, audience development initiatives and to develop and nurture talent. In the year to 31 July 2020 we had planned to stage 10 productions at the London Coliseum and target an audience of 130,000.

Unfortunately, we were impacted by the Covid-19 pandemic during March, 2020 and were required to close the Coliseum on 17 March 2020. The ongoing impact of Coronavirus is unclear, which means that we cannot state with certainty the number of productions that will occur in the fiscal year 2021 however, we will open as soon as it is possible while ensuring the wellbeing of our colleagues and audiences.

As a direct response to the current situation we have launched *Drive and Live Opera* and will stage a new version of *La bohème* in Alexandra Palace car park for audiences to come and experience a new way of seeing and hearing opera from the safety of their cars. In the future we plan to take this to other sites around the country.

We are already reviewing our existing future plans for 21/22 to look at how we might make changes to incorporate some of the work which we have already invested in but have had to postpone due to the pandemic.

Trustees' report for the year ended 31 July 2019

Financial Review

Financial review

The Consolidated Statement of Financial Activities for the year is set out on page 18. The consolidated position at 31 July 2019 is set out in the Group Balance Sheet on page 19.

The prior year comparatives are for the year ended 31 July 2018.

The Group overall surplus was £87,000 (2018: £947,000) for the year ended 31 July 2019. Within this surplus ENO received £0 transition funding from ACE (2018: £1,233,000). The Group's unrestricted operating surplus was £2,042,000 (2018: deficit of £478,000) following transfers of £170,000 from the designated Maintenance fund, £367,000 from the Strategic Investment fund, £384,000 from the designated Funds received in advance and £1,138,000 from the expendable Endowment funds. At the year end, unrestricted reserves totalled £7,116,000 (2018: £6,022,000) and the Company's general reserves at the balance sheet date were £4,266,000 (2018: £2,224,000). Within unrestricted reserves the Company holds designated funds for: strategic investment in new commissions and other projects of £322,000 (2018: £689,000), investment in a properties workshop of £22,000 (2018: £49,000), capital reserve of £945,000 (2018: £945,000), funds received in advance of £nil (2018: £384,000) and maintenance fund of £1,561,000 (2018 £1,731,000).

During the year ENO lodged a claim with HMRC that production costs should be claimed at the same rate as commercial activities. The HMRC agreed this case and a once-off amount of £1,136,000 was received by ENO on 12th November 2019. As the work was carried out during the financial year and there was reasonable certainty that it would be received at year end, it is included in the accounts.

The Company retains free reserves as a contingency against operational risks as follows:

- Any significant variation from budget in box office and development revenue for the following two seasons;
- Uncontracted visiting company weeks at the London Coliseum over the following 12 months; and
- Exceptional cost risks in the operating budgets in the following two years.

The principal funding sources are the income generated through the activities of ENO and the core grant received from Arts Council England (ACE) (note 3).

In the period under review this income was applied to the charitable activities of the Company in support of the key objectives.

Free reserves are the undesignated unrestricted reserves less fixed assets which are not included in designated, restricted or endowed reserves.

At the balance sheet date, the level of free reserves of £1.9m, was deemed an adequate level of accessible funds to mitigate against the identified operational risks. Subsequently, the closure of the Coliseum on 16 March as a result of Covid-19 has led the Trustees to revise this opinion. The Trustees have secured confirmation from the Arts Council England (ACE) that an additional £2m of restricted reserves can be utilised at the discretion of the Trustees. The Trustees consider that the total available funds of £3.9m provide sufficient cover for the temporary loss of income during the closure period and allow time for adjustment of the cost base whilst social distancing rules are in place (see page 10 for further details).

Trustees' report for the year ended 31 July 2019

Financial Review

Principal risks and uncertainties

Management review and monitor the key risks faced by the Company in achieving its objectives and report annually to the Audit and Risk Committee and Board. The Board and the Audit and Risk Committee have reviewed the material risks. ENO manages the measures currently in place to mitigate those risks. Subsequent to 2019 year end the external risks: namely the Coronavirus, more than ever before became the most significant risk to the company.

The key external risks to the Company:

Coronavirus

The pandemic is the most significant risk impacting the ENO in its recent history. Rapid spread of Covid-19 has caused governments to implement policies to restrict travel, close businesses and instruct social distancing to prevent the spread of this infectious disease. These measures have caused a slow down to the economy and dramatically altered the working lives of our employees, audiences, and key service providers resulting in unprecedented disruption to our business, our cashflow and reserves.

However, the organisation has been quick to respond to ensure the continued operations of the business. The Coliseum was closed on 17 March 2020, key employees have been working remotely since 17 March 2020 and a significant number of employees have been furloughed.

Further actions to reduce cashflow requirements, maintain sufficient liquidity and ensure the long-term sustainability of the business. The government has recently announced a re-opening of the hospitality industry as of 4 July. We continue to monitor and take necessary actions to ensure we come through this period with sufficient reserve levels to operate.

Brexit

This poses a small risk to the business because of the possible restriction on the movement of our artists and supplies between the EU and the UK. We will continue to monitor and assess the situation as trade negotiations progress and their impact becomes clearer.

The other key strategic risks to the Company are considered to be:

- Reputation. ENO consistently delivers world class opera in London and internationally in- collaboration with our co-production partners. Any actual or perceived reduction in artistic reputation is likely to reduce box office, development and grant income and make international collaboration more difficult. This is mitigated by board oversight of current and future planning through the Artistic Committee, monitoring of response through post performance audience surveys and press and peer reviews.
- A skilled and efficient workforce. ENO relies on its people. Inability to recruit or retain the people due to insufficient remuneration or reputational issues would severely damage our ability to deliver a world-class performance. We mitigate this risk by a range of personnel and organisational policies to ensure ENO remains competitive.
- Grant and donation income. ENO depends on its ability to generate significant amount of grant (ACE) and Development income. Any significant fall would further challenge our operating model. This risk is mitigated by a clear planning process and development strategy which ensures ENO effectively engages with its stakeholders.
- Financial resilience. ENO is dependent on income streams sensitive to broader economic issues such as any general downturn, or external events and are highly variable in their nature. The cost base is committed on a timescale significantly ahead of the receipt of revenue. We mitigate financial risk through a clear reserve policy approved by the Board and reviewed annually, together with a robust forward planning cycle to ensure that future cost commitments are appropriate to the anticipated future income streams. During the Covid-19 period, we have worked to reduce our timescales and maintain a flexible approach to our cost base.

Trustees' report for the year ended 31 July 2019

Financial Review

Going Concern

The Trustees must satisfy themselves as to the ENO's ability to continue as a going concern for a minimum of 12 months from the approval of the financial statements. The Board of Trustees reviewed possible options in its assessment of going concern by considering whether, in the challenging but plausible risk scenarios identified as a result of Coronavirus, the ENO had adequate available resources to meet its obligations as they fall due in and beyond the next 12 months.

Early in the pandemic, financial modelling was undertaken by the executive and on an ongoing basis discussed with the board. This modelling has guided the executive to take a number of actions to cancel discretionary spend, reduce costs to optimise cash flow and reserve levels and be in a position to provide the Arts Council England (ACE) and the Department of Digital, Culture, Media and Sports (DCMS) the emergency response papers they required. The Board reviewed and challenged the appropriateness of the scenarios modelled, and all decisions that could affect the well-being of employees.

Management stress tested the business to understand how it would perform against severe downside scenarios and presented and debated the forecasts and cashflows with the board. These scenarios are based on the potential financial impact of the ENO's specific risks associated with Coronavirus, namely the closing of the coliseum and the impact of social distancing on attendance and occupancy rates once the hospitality industry can ease restrictions and the coliseum can safely reopen.

Two scenarios in particular were looked at: the first and the one felt most plausible was a re-opening of the coliseum in late January. For this scenario, sensitivities were performed on occupancy rates producing different possible audience outcomes. The second scenario has the coliseum closed until post 31st July, 2021, and the ENO only performing outside the coliseum with breakeven productions. Both represent severe but plausible scenarios and are considered by the Trustees to be extremely prudent.

Underlying assumptions were updated as the pandemic progressed and more information was released by the government to the public. As of 27 August, the hospitality industry in the UK has been given the green light to open its doors with relaxed social distancing guidelines. Although the full impact of the pandemic is difficult to assess with certainty, this new information has reinforced that the stress tests presented by management are reasonable scenarios.

After making appropriate enquires, which include the review of the forecast scenarios and consideration of the nature and extent of the risks identified, the Trustees consider that ENO has adequate resources to continue its operational existence for the foreseeable future. For this reason the financial statements have been prepared on a going concern basis.

Trustees' report for the year ended 31 July 2019

Financial Review

Investment policy and returns

Cash which is surplus to short-term operating requirements is invested in bank accounts or charity investment funds.

The ENO Create fund is invested in a UK and international portfolio of equities, bonds and cash by investment managers Smith and Williamson Investments as permitted by the Company's memorandum and articles of association and in accordance with the mandate agreed by the Investment Committee. The trustees have not set an exclusionary policy with regard to investments held but individual investments may be excluded if perceived to conflict with the purpose of the endowment.

The investment policy confirms the range of permitted investments both by type and by region. The portfolio has a long term investment horizon with emphasis on income, and a medium risk profile. The asset allocation and return against appropriate benchmarks is regularly assessed by the investment committee. Over the period the fund performance on a total return basis of 3.74% was lower than the benchmark rate of 4.83%.

Income earned from the investment fund held was reinvested during the period. Total income recognised in the period was £200,000 (2018: £206,000). The net gain from revaluation of securities in the period was £28,000 (2018: £76,000).

The Audrey Gunn Fund sold its equity and bond investments in the year and is now invested in bank deposit accounts. Total income recognised in the period was £nil (2018: £2,235). The net gain from sale and revaluation of securities in the period was £nil (2018: £nil).

Changes in non-current assets

The movements in fixed assets in the period are set out in notes 11 and 12 to the financial statements.

Trading subsidiaries

English National Opera Trading Limited (Company Number 2379051) is a wholly-owned subsidiary of ENO with income derived from sponsorship activities. The subsidiary was dormant in the period and no amount was paid to the parent Company.

English National Opera Productions Limited (Company Number 9184219) is a wholly-owned subsidiary of ENO with income derived from operatic, musical and other theatrical productions. No money was paid to the parent in year (2018: £111,751).

Connected charities

The Company has connections with the following registered charitable organisations:

The English National Opera Benevolent Fund (registered charity number 211249), administered from the London Coliseum, and established for the provision of welfare and financial assistance to past and present employees of ENO and its antecedent companies.

The American Friends of English National Opera, registered in New York as a charity under US Federal Tax law, for the purposes of promoting association with and gathering support for the aims of ENO in North America.

None of these connected charities have been consolidated as the Board is of the opinion that none of these entities are controlled so as to meet the definition of a subsidiary or quasi-subsi- dary of ENO.

Trustees' report for the year ended 31 July 2019

Structure and Governance

ENO is a registered charitable company limited by guarantee all members having a liability not exceeding £10 per member. At 31 July 2019 there were twelve members (2018: 12 members).

Its business is governed by the provisions of the Charities Act 2011 and by its memorandum and articles of association. The main object of the Company is to encourage the understanding and appreciation of the dramatic art by producing performances of opera and concerts of cultural value to the community.

The financial statements are drawn up in accordance with the provisions of the Companies Act 2006, the Statement of Recommended Practice - Accounting and Reporting by Charities, and applicable accounting standards.

Each Trustee is also a member and Director of the Company and is not remunerated. The full Board meets at least eight times a period while day-to-day management is carried out by a management team reporting to the Chief Executive Officer. The Trustees are responsible for the approval of strategic and financial plans for the Company, appointment of the executive management and monitoring of performance and approval of senior management remuneration and governance.

The senior management team is responsible for the development and implementation of strategic, artistic and financial plans and all operational aspects of the Company.

The Finance, Audit and Risk Committee reviews and assists the Board in discharging its oversight responsibilities by monitoring the company's financial position, assessing future financial plans and monitoring risks before submission to the Board.

The Nominations Committee manages the process of future appointments to ensure that the Board comprises the range of skills considered necessary for ENO. Potential Trustees matching the identified requirements are considered by the Nominations Committee for recommendation to and approval by the Board. On appointment Trustees are provided with background and financial information pertaining to the Company, undertake a tour of the operations and discuss key issues and strategies with senior management.

The Remuneration Committee benchmarks the pay, benefits and total compensation against other UK theatre and visual art organisations. It agrees with the Board the remuneration of the Chief Executive Officer, Artistic Director and other such members of the executive management as it is designated to consider. No director or manager is involved in any decisions as to his or her own remuneration.

Trustees' report

for the year ended 31 July 2019

Trustees' Responsibilities Statement

The trustees (who are also directors of English National Opera for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' report

for the year ended 31 July 2019

Equal opportunities

The Company is committed to a policy of equal opportunity in all aspects of its employment practices.

ENO gives every consideration to persons with disabilities and will make reasonable workplace adjustments as necessary in order to accommodate disabled persons. If a disabled person applies for employment, full and equal consideration will be given to employing that person.

In addition, the Company has an access policy to accommodate as many disabled patrons as possible within the current resources. This includes signed performances, surtitles, audio notes, disabled concessions and access to parts of the auditorium.

Employee involvement

The Company relies on the commitment and contribution of all staff, performers and artists. Management policies incorporate a consultation process through the line management structure.

The dissemination of information and two-way dialogue between staff and management is maintained through Company briefings by the Chief Executive Officer and Artistic Director, team briefings, newsletters and an intranet system. During the period the company continued regular meetings of the Heads of Departments and an Employee Forum in order to provide regular updates on the Company's artistic and financial performance and to receive feedback from employees. An employee newsletter, ENO Voice, was produced every two months.

ENO recognises several unions for the purposes of collective bargaining and individual representation and continues to promote and develop good staff relations.

Health and safety

The Chief Executive Officer is responsible to the Board for health and safety matters. The Company's health and safety committee, comprising a Board representative, management and employees (including union representatives) representing all departments, meets regularly to ensure the implementation of the Company's policy of safe working practices and has presented to the Board during the period.

Taxation status

ENO is a registered charity and accordingly is entitled to exemption from United Kingdom taxation of its charitable activities under Chapter 3 of Part II of the Corporation Taxes Act 2010 to the extent they are used for its charitable purposes.

English National Opera Trading Limited and English National Opera Productions Limited do not have charitable status but donate any distributable profit to the parent Company through gift aid.

Related parties

No expenses were reimbursed during the year (2018: £54).

Total payments to the Artistic Director for directing services under his employment contract and the Music Director for conducting services under freelance contracts are included in the total remuneration for banding purposes in note 10. All services provided are at the current commercial rate.

Auditor

A resolution to re-appoint Grant Thornton LLP will be proposed at the forthcoming Annual General Meeting.

The Trustees' report (including the Strategic Report) has been approved by order of the Board on 27 August 2020 and signed on their behalf:



Dr Henry Brunjes (Chair of Trustees)

27 August 2020

Independent Auditor's Report to the members of English National Opera

Opinion

We have audited the financial statements of English National Opera (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2019, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2019 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the trustees and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group and parent company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group and parent company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group or company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report

to the members of English National Opera

In our evaluation of the trustees' conclusions, we considered the risks associated with the group's and parent charitable company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group and charitable company will continue in operation.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the members of English National Opera

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Carol Rudge
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date 27/8/2020

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Consolidated Statement of Financial Activities (including Income and Expenditure account) for the year ended 31 July 2019

		For the year ended 31 July 2019					For the year ended 31 July 2018				
	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total Funds £'000	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total Funds £'000
Income and endowments from:											
Charitable activities	2	20,162	-	-	-	20,162	19,274	-	-	-	19,274
Grants	3	12,380	-	-	-	12,380	12,380	-	1,233	-	13,613
Donations and legacies	4	2,550	-	893	-	3,443	2,305	-	678	-	2,983
Investments	5	54	-	-	200	254	19	-	-	206	225
Total income		35,146	-	893	200	36,239	33,978	-	1,911	206	36,095
Expenditure on:											
Charitable activities	6	35,238	27	960	-	36,225	31,383	27	2,694	-	34,104
Raising funds	7	1,061	-	-	-	1,061	1,090	-	-	-	1,090
Investment management fees		-	-	-	30	30	-	-	-	30	30
Refund on overpayment of VAT	22	(1,136)	-	-	-	(1,136)	-	-	-	-	-
Total expenditure		35,163	27	960	30	36,180	32,473	27	2,694	30	35,224
Net gains on investments	12	-	-	-	28	28	-	-	-	76	76
Net income		(17)	(27)	(67)	198	87	1,505	(27)	(783)	252	947
Transfers between funds	16	2,059	(921)	-	(1,138)	-	(1,983)	2,206	400	(623)	-
Net movement in funds		2,042	(948)	(67)	(940)	87	(478)	2,179	(383)	(371)	947
Reconciliation of funds											
Total fund brought forward	16	2,224	3,798	3,802	13,899	23,723	2,702	1,619	4,185	14,270	22,776
Total fund carried forward	16	4,266	2,850	3,735	12,959	23,810	2,224	3,798	3,802	13,899	23,723

Net income is derived from continuing operations in the current and previous period. There are no other recognised gains or losses other than those reflected in the consolidated statement of financial activities.

During the period no income (2018: £nil) was earned by English National Opera Trading Limited, a non-charitable trading subsidiary. The Company was dormant during the period. Refer to note 20.

No income was earned during the period (2018: £nil) by ENO Productions Limited, a non-charitable trading subsidiary. Profit for the period (after Taxation and Theatre tax relief) was £nil (2018: £nil). See note 20.

No separate income and expenditure account is presented for the parent company in accordance with the provisions of s.408 of the Companies Act 2006. The total income of the parent company is £36,239,000 (2018: £36,095,000). The result reported in the accounts of the parent company is a surplus of £87,000 (2018: £1,059,000).

The notes on pages 21 to 35 form an integral part of these financial statements.

Consolidated and Charity Balance Sheets as at 31 July 2019

	Note	2019		2018	
		Group £'000	Company £'000	Group £'000	Company £'000
Non-Current assets					
Tangible fixed assets	11	9,314	9,314	9,578	9,578
Investments	12	6,544	6,544	6,529	6,529
Long-term prepayments		374	374	361	361
Total Non-Current assets		16,232	16,232	16,468	16,468
Current assets					
Stocks		34	34	7	7
Trade and other receivables	13	11,088	11,088	6,480	6,480
Cash and cash equivalents		7,505	7,505	10,230	10,230
Total current assets		18,627	18,627	16,717	16,717
Creditors (amounts falling due within one year)	14	(11,049)	(11,049)	(9,462)	(9,462)
Net current assets		7,578	7,578	7,255	7,255
Total assets less current liabilities	15	23,810	23,810	23,723	23,723
The funds of the charity:					
Unrestricted funds					
General funds		4,266	4,266	2,224	2,224
Designated funds		2,850	2,850	3,798	3,798
Total unrestricted funds	16	7,116	7,116	6,022	6,022
Restricted income funds	16	3,735	3,735	3,802	3,802
Endowment funds	16	12,959	12,959	13,899	13,899
Total funds of the Charity		23,810	23,810	23,723	23,723

These financial statements of English National Opera charity registered number 2257210 were approved by the Board of Trustees on 27 August 2020 and signed on their behalf:



Dr Henry Brunjes (Chair of Trustees)

27 August 2020

The notes on pages 21 to 35 form an integral part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 July 2019

		2019	2018
	Note	£'000	£'000
Cash flows from operating activities			
Net cash provided by operating activities	A	(2,484)	753
Cash flows from investing activities			
Dividends, interest and rents from investments	5	200	206
Interest received	5	54	19
Purchase of property, plant and equipment	11	(478)	(341)
Proceeds from sale of investments		572	1,191
Purchase of investments		(559)	(929)
Investment manager fees		(30)	(30)
		(241)	116
Net cash provided by investing activities			
Change in cash and cash equivalents in the reporting period		(2,725)	869
Cash and cash equivalents at 31 July 2018		10,230	9,361
Cash and cash Equivalents at 31 July 2019	B	7,505	10,230
A Reconciliation of net income to net cashflow from operating activities			
Net income		87	947
Adjustment for:			
Net gains on investments		(28)	(76)
Depreciation charges		742	725
Loss on disposal of fixed assets		-	31
Profit on disposal of investments		(13)	-
Interest received		(54)	(19)
Investment income received		(200)	(206)
Investment fees payable		30	30
Increase in stock		(27)	(2)
Increase in debtors		(4,608)	(1,817)
Increase in creditors		1,587	1,140
Net cash (used in)/provided by operating activities		(2,484)	753
B Analysis of Cash and Cash Equivalents			
Cash at bank and in hand		7,505	10,230
		7,505	10,230

Notes to the accounts for the year ended 31 July 2019

1 Accounting policies

A summary of the principal group accounting policies, all of which have been applied consistently throughout the period and the preceding year, is set out below.

Basis of accounting

These financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The Trustees consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015) and applicable accounting standards in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015, and the Companies Act 2006.

ENO meets the definition of a public benefit entity under FRS 102.

Going Concern

The Trustees consider that the going concern assumption is an appropriate basis on which to prepare these financial statements. After making appropriate enquires, which include the review of the forecast scenarios and consideration of the nature and extent of the risks identified and discussed in the Future plans section of the Strategic Report on page 7 and Financial Review on pages 8-10, the Trustees consider that ENO has adequate resources to continue its operational existence for the foreseeable future. For this reason, the financial statements have been prepared on a going concern basis.

Basis of consolidation

The group financial statements consolidate those of ENO and of its subsidiaries, ENO Trading Limited and ENO Productions Limited. The results of the subsidiaries are consolidated on a line by line basis. The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

Income

Income is recognised in the year in which the company becomes entitled, receipt is probable and the amount can be measured with reasonable accuracy. Income is deferred when the company has to meet conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

All grants and contractual payments are included on a receivable basis. Legacies are included when the company is entitled to a legacy, receipt is considered probable and the amount can be estimated with reasonable accuracy. Income is not recognised for legacies which remain subject to a life interest.

Donated Goods

Where the charity receives donated goods and services in kind and where there is a measurable value to the charity, which can be ascertained with reliability, they are included as both income and expenditure in the Statement of Financial Activities.

Expenditure

These are treated on an accruals basis.

Charitable activities expenditure enables the ENO to meet its charitable aims and objectives.

Costs of raising funds include the costs incurred in raising donations and legacies. These costs are regarded as necessary to raise funds that are needed to finance charitable activities.

Direct production costs for future productions, including artists' rehearsal fees and the manufacture and/or building of physical elements, are included in current assets at the lower of cost and fair value and expensed equally to each performance during the initial run.

Governance costs are associated with the governance arrangements of the charity and relate to audit fees and the charity's trustee liability insurance, and are allocated along with other support costs.

Allocation of support costs

Costs of centrally provided services in support of charitable activities are allocated directly to functional areas and include the relevant proportion of premises costs which comprise of rent, rates and utility costs. The basis of allocation involves the use of relative headcounts of staff numbers and the proportion of site usage by expenditure category.

Notes to the accounts

for the year ended 31 July 2019

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation and any impairment. Costs of adding to and improving the building and plant are capitalised and depreciated over the useful economic life of the asset. Depreciation has been provided on the cost of such assets, excluding freehold land, at the following rates:

Freehold buildings:	2% straight-line
Improvements to freehold buildings:	2% - 10% straight-line
Leasehold property:	over remaining life of the lease
Machinery and equipment:	7% to 33% straight-line

Stocks

These consist of items held for resale and are valued at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value.

Pension costs

The company contributes to a number of personal and auto-enrolment pension schemes for its employees. Contributions are charged to the Statement of Financial Activities as they become payable.

Leases

All leases are operating leases and the annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Investment assets and related income

Investment assets listed on a recognised stock exchange, including investment and unit trusts, are stated at bid-market value. Net investment gains for the year, both realised and unrealised, are disclosed in the Statement of Financial Activities.

Funds

The company's funds consist of unrestricted and restricted amounts. The company may use unrestricted amounts at its discretion. Restricted funds represent income which is restricted to particular purposes, in accordance with the donor's wishes.

Expendable endowments in respect of freehold properties are expended in line with the depreciation of those properties. All other expendable endowments are to be expended within a reasonable time of receipt and the funds are treated as restricted or unrestricted depending upon whether the original donation stipulates expenditure for specific purposes, or otherwise. Once expended these funds are transferred to either restricted or unrestricted funds.

Taxation

As a charity, English National Opera is exempt from tax on income and gains falling within Chapter 3 of Part II of The Corporation Tax Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

Theatre Tax Relief

Amounts due to ENO in respect of the Theatre Tax Relief, is included in the financial year to which the claim relates. These amounts are included within Income from Charitable Activities rather than as a tax credit or a reduction in expenditure as the nature and intention of Theatre Tax Relief is akin to government grant income.

Estimates in the application of Accounting Policies

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The sources of any significant estimation uncertainty are considered to relate to:

Income Recognition of Legacies: Residuary legacy income included in the accounts not received at year end is only included as income when the amount can be estimated with reasonable accuracy. Where this is the case the amount is based on the estimates received by the charity from the executors of the estate.

The value of the Theatre Tax Credit: The Trustees consider that the amount included in the accounts has been calculated on an appropriate basis in line with HMRC guidance. The final claim will be submitted and agreed with HMRC after the date of the report and any adjustments required will be made in the next accounting period.

Notes to the accounts for the year ended 31 July 2019

1 Accounting policies (continued)

Significant judgements in the application of Accounting Policies

Recognition of VAT refund: The refund is recognised in the accounts as the receipt of the refund was virtually certain as at 31 July 2019.

Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes to the accounts for the year ended 31 July 2019

2 Charitable activities

	2019				2018
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000	Total funds £'000
Box office receipts and transaction fees	8,134	-	-	8,134	6,775
Theatre rental and third party presentations	3,286	-	-	3,286	3,757
Bars and catering services	2,064	-	-	2,064	2,167
Programme sales and advertising	197	-	-	197	165
Production exploitation and sundry income	4,651	-	-	4,651	4,485
Theatre Tax Relief	1,830	-	-	1,830	1,925
	20,162	-	-	20,162	19,274

3 Grants

	2019				2018
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000	Total funds £'000
Arts Council England					
Core funding	12,380	-	-	12,380	12,380
Transition funding	-	-	-	-	1,233
	12,380	-	-	12,380	13,613

4 Donations and legacies

	2019				2018
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000	Total funds £'000
Donations, legacies, memberships and events	2,497	531	-	3,028	2,613
Production sponsorship and support	53	362	-	415	370
	2,550	893	-	3,443	2,983

5 Investments

	2019				2018
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000	Total funds £'000
Income earned from Investments (see note 12)	-	-	200	200	206
Bank interest	54	-	-	54	19
	54	-	200	254	225

Notes to the accounts for the year ended 31 July 2019

	2019					2018
	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000	Total funds £'000
6 Costs of charitable activities						
Production and performance	30,555	27	960	-	31,542	29,601
Education, outreach and information	854	-	-	-	854	937
Catering and other sales	1,840	-	-	-	1,840	1,748
Support and property costs	1,989	-	-	-	1,989	1,818
	35,238	27	960	-	36,225	34,104

	2019					2018
	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000	Total funds £'000
7 Costs of raising funds						
Event costs	374	-	-	-	374	389
Staff and overhead costs	604	-	-	-	604	628
Support and property costs	83	-	-	-	83	73
	1,061	-	-	-	1,061	1,090

	2019	2018
	Total £'000	Total £'000
8 Net expenditure is stated after charging:		
Fees payable to the Charity's Auditor:		
Audit of financial statements	57	48
Accountancy and other services	2	-
Depreciation of tangible fixed assets	742	725
Hire of plant and machinery	63	27
Operating lease payments:		
Plant and machinery	33	28
Rentals	531	518

9 Allocation of support costs

Support costs are pro-rated between the key operational areas: Production and performance, Raising funds and Education, outreach and information.

The basis of apportionment is total headcount applicable in the relevant activities. Directly attributable costs are allocated to governance costs where appropriate.

Notes to the accounts

for the year ended 31 July 2019

9 Allocation of support costs (continued)	Total 2019				Total 2018
	Management & administration	Premises costs	Governance costs	Total £'000	Total £'000
Charitable activities					
Production and performance	1,726	69	54	1,849	1,690
Education, outreach and information	53	2	2	57	55
Costs of raising funds	77	3	3	83	73
For the year ended 31 July 2019	1,856	74	59	1,989	1,818
For the year ended 31 July 2018	1,653	107	58	1,818	

10 Particulars of staff

	2019	2018
	£'000	£'000
The aggregate employment costs were:		
Wages and salaries	14,284	13,737
Social security costs	1,546	1,492
Redundancy/termination	174	243
Pension costs (see note (iii))	400	322
Staff costs (see note (i) and (ii))	16,404	15,794

	2019	2018
	No.	No.
Average number of persons employed by category		
Opera company - performing & production	247	245
Theatre operation	49	43
Finance, administration and marketing	41	40
	337	328

(i) Staff costs and staff numbers include all permanent, fixed term and temporary employees of the company. Full-time equivalent staff numbers are based on a minimum 35-hour week.

(ii) In addition, ENO relies on the support of our ENO Friends Volunteers who play a vital role in our fundraising operations, the value of which is not reflected in these accounts.

(iii) Pension costs include contributions of £12,746 (2018: £6,902) paid in to defined contribution pension schemes for staff whose emoluments (excluding pensions) exceeded £60,000 during the year.

	2019	2018
	12 months No.	12 months No.
The number of Group employees whose emoluments, excluding pension contributions and employers' national insurance, but including benefits in kind were in excess of £60,000 was:		
£60,000 - £69,999	9	5
£70,000 - £79,999	2	3
£80,000 - £89,999	2	1
£90,000 - £99,999	1	-
£100,000 - £109,999	-	1
£110,000 - £119,999	1	2
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-
£160,000 - £169,999	1	-
£170,000 - £179,999	1	-
£180,000 - £190,999	-	1

Notes to the accounts for the year ended 31 July 2019

10 Particulars of staff (continued)

In addition to an employee salary payment, the Music Director is paid for conducting services under freelance contracts on similar terms to other conductors engaged. These payments have been included in the employee banding but excluded from key management personnel remuneration.

All ENO employees are employed by the Company. The key management personnel of the Group comprise the Executive Officers and Senior Management Team. The team was expanded during the year from existing positions in order to increase the number and diversity of the Senior Management Team. The total remuneration (including pension contributions and employer's national insurance) of the key management personnel for the year totalled £1,399,212 to 14 employees (2018 - £1,313,192 to 15 employees).

During the year the Group made payments or made provision for payments upon termination of employment including amounts in lieu of notice totalling £174,009 to 7 employees (2018: £243,235 to 7 employees).

11 Tangible fixed assets

	Freehold Land & Buildings £'000	Leasehold Land & Buildings £'000	Machinery & Equipment £'000	Total £'000
Group and Company				
Cost				
At 1 August 2018	15,520	367	4,278	20,165
Additions	40	-	438	478
At 31 July 2019	15,560	367	4,716	20,643
Depreciation:				
At 1 August 2018	7,423	318	2,846	10,587
Charge for the year	333	7	402	742
At 31 July 2019	7,756	325	3,248	11,329
Net book value:				
At 31 July 2019	7,804	42	1,468	9,314
At 31 July 2018	8,097	49	1,432	9,578

Freehold Land and Buildings includes land at a cost of £2,145,500 (2018: £2,145,500) which is not depreciated.

12 Investments

	2019	2018
Listed Investments		
Total		
£'000		
A Reconciliation of opening and closing market value		
Group and Company:		
Market value of securities as at 1 August 2018	6,529	6,715
Net disposals/Purchases	(13)	(262)
Net investment gains	28	76
Market value as at 31 July 2019	6,544	6,529
Historic cost of investments at 31 July	4,574	5,674

Notes to the accounts for the year ended 31 July 2019

12 Investments (continued)

B Investment Portfolio

Investments listed on recognised stock exchanges

	2019	2018
	Market value	Market value
	Total	Total
	£'000	£'000
Equities	3,040	2,910
Index Linked	478	457
Fixed Interest	1,180	1,113
Alternative and Other	716	1,753
Cash	1,130	296

Total Investment with Investment Managers

6,544	6,529
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C Other investments

(i) The company owns 100% of the ordinary share capital of its subsidiary, English National Opera Trading Limited, which is registered in England and Wales and whose principal activity is commercial promotions in support of ENO.

The subsidiary was dormant in the year and no amount was paid to the parent company (refer to note 20). All of the directors of English National Opera Trading Limited are executives and senior managers of the ENO.

Investment in subsidiary:

Cost:

At 31 July 2019 and 31 July 2018

Ordinary shares
£

2

There are no loans outstanding at 31 July 2019 (2018: £nil).

(ii) The company owns 100% of the ordinary share capital of its subsidiary, English National Opera Productions Limited. Its principal activity is commercial promotions in support of ENO.

All of the directors of English National Opera Productions Limited are executives and senior managers of the ENO.

Investment in subsidiary:

Cost:

At 31 July 2019 and 31 July 2018

Ordinary shares
£

1

There are no loans outstanding at 31 July 2019 (2018: £nil).

Notes to the accounts for the year ended 31 July 2019

13 Debtors

	2019		2018	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year:				
Trade debtors	4,156	4,156	1,148	1,148
Other debtors	531	531	469	469
Theatre Tax Relief receivable	3,508	3,508	3,871	3,871
Prepayments and accrued income	2,893	2,893	992	992
	11,088	11,088	6,480	6,480
Costs of future productions included within Prepayments:				
Opening within 1 year	807	807	360	360
Opening after more than 1 year	27	27	55	55
	834	834	415	415

14 Creditors: amounts falling due within one year

	2019		2018	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	1,086	1,086	549	549
Other creditors	4,275	4,275	3,743	3,743
Taxation and social security	637	637	965	965
Accruals and deferred income	5,051	5,019	4,205	4,173
Amounts due to subsidiary undertaking	-	32	-	32
	11,049	11,049	9,462	9,462

Within accruals and deferred income is included the following amount of deferred income relating to box office receipts and other income received in advance:

Brought forward	1,558	1,558	1,238	1,238
Released in the year	(1,558)	(1,558)	(1,238)	(1,238)
Received in the year	1,790	1,790	1,558	1,558
Carried forward	1,790	1,790	1,558	1,558

Notes to the accounts for the year ended 31 July 2019

15 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Consolidated fund balances:				
Fixed assets	2,344	967	12,921	16,232
Current assets	15,821	2,768	38	18,627
Current liabilities	(11,049)	-	-	(11,049)
Total net assets as at 31 July 2019	7,116	3,735	12,959	23,810
Consolidated fund balances:				
Fixed assets	1,053	1,619	13,796	16,468
Current assets	14,431	2,183	103	16,717
Current liabilities	(9,462)	-	-	(9,462)
Total net assets as at 31 July 2018	6,022	3,802	13,899	23,723

All endowment funds are wholly represented by expendable endowments (see note 16).

Notes to the accounts for the year ended 31 July 2019

16 Movement on funds – Group and Company

	For the year ended 31 July 2019					For the year ended 31 July 2018						
	2018 At 1 August £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Revaluation gains £'000	2019 At 31 July £'000	2017 At 1 August £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Revaluation gains £'000	2018 At 31 July £'000
(a) Summary												
Unrestricted funds												
General funds	2,224	35,146	(35,163)	2,059	-	4,266	2,702	33,978	(32,473)	(1,983)	-	2,224
Designated funds:												
Maintenance funds	1,731	-	-	(170)	-	1,561	665	-	-	1,066	-	1,731
Capital reserve funds	945	-	-	-	-	945	815	-	-	130	-	945
Strategic Investment	689	-	-	(367)	-	322	63	-	-	626	-	689
Funds received in advance	384	-	-	(384)	-	-	-	-	-	384	-	384
Capital funds	49	-	(27)	-	-	22	76	-	(27)	-	-	49
Total Unrestricted funds	6,022	35,146	(35,190)	1,138	-	7,116	4,321	33,978	(32,500)	223	-	6,022
Restricted income funds (see note 16(c))												
London Coliseum Redevelopment	104	-	(15)	-	-	89	119	-	(15)	-	-	104
London Coliseum Restoration	211	-	-	-	-	211	211	-	-	-	-	211
Production & project support	249	893	(694)	-	-	448	345	678	(774)	-	-	249
ACE Transition fund	2,000	-	-	-	-	2,000	2,000	1,233	(1,233)	-	-	2,000
ACE Managed fund	10	-	-	-	-	10	10	-	-	-	-	10
ACE Capital fund	1,228	-	(251)	-	-	977	1,500	-	(272)	-	-	1,228
ENO Create/ACE Catalyst	-	-	-	-	-	-	-	-	(400)	400	-	-
Total Restricted funds	3,802	893	(960)	-	-	3,735	4,185	1,911	(2,694)	400	-	3,802
Endowment funds (see note 16(d))												
Expendable:												
London Coliseum freehold	7,054	-	-	(220)	-	6,834	7,274	-	-	(220)	-	7,054
Lilian Baylis House freehold	207	-	-	(2)	-	205	210	-	-	(3)	-	207
ENO Create/ACE Catalyst	6,600	200	(30)	(916)	28	5,882	6,748	206	(30)	(400)	76	6,600
Audrey Gunn legacy	38	-	-	-	-	38	38	-	-	-	-	38
Total Endowment funds	13,899	200	(30)	(1,138)	28	12,959	14,270	206	(30)	(623)	76	13,899
Total funds	23,723	36,239	(36,180)	-	28	23,810	22,776	36,095	(35,224)	-	76	23,723

Notes to the accounts for the year ended 31 July 2019

16 Movement in funds (continued)

(a) Summary (continued)

The transfer from the London Coliseum and Lillian Baylis House freehold expendable endowment funds represents the amount of depreciation charged in respect of the freehold properties. The transfers from the Maintenance, Capital Reserve fund, Strategic Investment and the Funds received in advance respectively represent funds spent in these areas attributable to the funds. The transfer from the ENO Create/ACE Catalyst endowment fund to the general fund represents investment of £916,000 (2018: £400,000) in ENO productions during the period.

(b) Designated funds

Maintenance Funds

Maintenance funds are designated for specific future projects to maintain and enhance the fabric of the London Coliseum based on a long term maintenance plan for the building.

Capital Reserve Funds

The Capital Reserve represents the net book value of fixed assets funded from ENO's unrestricted funds.

Strategic Investment

The Strategic Investment fund represents funds allocated to strategic projects to be carried out in future years. These projects may be artistic, operational or capital in nature but are anticipated to enhance the public benefit or efficiency of the Company.

Funds received in Advance

This fund represents funds received in 2018/19 that will be applied against the budgeted activity of the company in the year to 31 July 2020.

Capital Funds

The Capital Fund represents specific capital projects funded from reserves.

(c) Restricted income funds

London Coliseum Redevelopment

An amount of £89,000 is carried forward on this fund, representing the book value of properties acquired.

London Coliseum Restoration

The balance is to be utilised in respect of the restoration of the London Coliseum.

Production & Project Support

Funding is received from time to time by way of specific donations and grants in respect of a variety of artistic and infrastructural projects in furtherance of the company's charitable aims including education and outreach work. These funds are treated as restricted income on receipt. Income is derived from various individuals, educational trusts and foundations.

ACE Transition Fund

This reserve represents ACE transition funding to enable the company to restructure if required due to the reduction in ACE funding.

ACE Capital Fund

ENO has received support from ACE in respect of capital investment. The fund represents the proportion of the net book value of assets purchased funded by the grant and is amortised in line with the depreciation policies in respect of these assets.

Create/Catalyst

The expenditure in relation to the Create fund is restricted under the terms of the donations and grants made to the Create fund.

(d) Endowment funds (expendable)

London Coliseum & Lillian Baylis House freehold

An amount of £7,039,000 is carried forward on these funds, representing the book value of freehold properties acquired.

Create/Catalyst

The ENO Create endowment fund is to be utilised over a maximum of twenty-five years to provide investment in ENO activities designed to generate long-term revenue streams for ENO. It is part of the ACE Catalyst endowment scheme.

Audrey Gunn legacy

The parent company has a commitment to the Estate of Audrey Gunn to fund an annual scholarship for a young singer of potential.

Notes to the accounts for the year ended 31 July 2019

17 Financial commitments

A Group and Company

The company occupies certain land and buildings under full-repairing short term leases at rents which are subject to periodic review. The company also leases various equipment.

The total future minimum rentals under non-cancellable operating leases are as follows:

	2019		2018	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Operating leases which expire:				
not later than one year	543	51	403	23
later than one year and not later than five years	2,172	171	1,206	55
later than five years	1,375	-	819	-
	4,090	222	2,428	78

B Contingent liabilities

- (a) ACE has the right to the repayment of the "Housing the Arts" grant of £380,000 in respect of Lilian Baylis House in certain circumstances, including those in which the premises cease being used by the company for rehearsal studios and other accommodation. The Trustees are of the opinion that these circumstances are unlikely to occur.
- (b) (i) Under the conditions attached to the grant towards the purchase cost of the London Coliseum, ACE has the option, in certain circumstances, to purchase the freehold of the London Coliseum for nominal consideration. The trustees are of the opinion that these circumstances are unlikely to occur.
- (ii) The National Heritage Memorial Fund has a legal charge over the freehold of the London Coliseum to secure monies and obligations pursuant to the award of restoration funding. The trustees are of the opinion that the obligations are unlikely to be breached in the ordinary course of events.
- (c) ACE has a fixed and floating charge over property and assets of the company other than the London Coliseum which imposes certain other restrictions in regard to the use or disposal. The trustees are of the opinion that these restrictions are unlikely to be breached under ordinary circumstances.

18 Pensions

The company has made contributions on behalf of employees to defined contribution schemes. Pension contributions made by the company during the year amounted to £400,000 (2018: £321,000). At 31 July 2019 the balance of unpaid contributions totalled £64,369 (2018: £50,178).

19 Liability of members

The company is limited by guarantee, all members having a liability not exceeding £10 per member. At 31 July 2019 there were twelve members (2018: twelve members).

Notes to the accounts for the year ended 31 July 2019

20 Subsidiary companies

(a) English National Opera Trading Limited

The wholly-owned trading subsidiary, English National Opera Trading Limited (Company Number 2379051), which is incorporated and registered in England and Wales, pays all its profits by gift aid to the parent company who owns the entire issued share capital. The Company's principal activity is commercial promotion. The Company generated no turnover and incurred no expenditure during the period (2018: £nil). The Company is actively seeking sponsorship contracts and does not anticipate any further costs while dormant. For the period ended 31 July 2019, the Company will file individual dormant accounts with Companies House.

	2019	2018
	£	£
The assets and liabilities of the subsidiary as at 31 July 2019 were:		
Current assets	2	2
Total net assets	2	2
	£	£
Aggregate share capital and reserves	2	2

(b) English National Opera Productions Limited

The wholly-owned trading subsidiary, English National Opera Productions Limited (Company Number 09184219) is incorporated and registered in England and Wales. The Company's principal activity is the creation of theatrical productions. For the period ended 31 July 2019, the Company will file individual dormant accounts with Companies House.

	2019	2018
	£	£
The assets and liabilities of the subsidiary as at 31 July 2019 were:		
Current assets	30,371	30,371
Current liabilities	(30,370)	(30,370)
Total net assets	1	1
	£	£
Aggregate share capital and reserves	1	1

Notes to the accounts for the year ended 31 July 2019

20 Subsidiary companies (continued)

	2019	2018
	£	£
(b) English National Opera Productions Limited (continued)		
Profit & Loss account for the year ended 31 July 2019		
Income	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	-	(111,751)
Loss before tax	-	(111,751)
Taxation	-	-
Theatre tax relief	-	-
Loss for the year	-	(111,751)

21 Related party transactions

Trustees received nil remuneration in the year (2018: nil). No trustees of the company were reimbursed expenses. (2018:£55).

Appropriate insurance has been arranged by the Company to indemnify Trustees and employees for their legal liability for damages and legal expenses arising from the performance of their duties.

During the period the trustees of the company donated £141,065 (2018: £155,716) to ENO. Included in this total is an amount of £64,545 (2018: £58,941) which was donated by a trustee to American Friends of English National Opera (see Connected Charities). American Friends of English National Opera subsequently donated this amount to ENO during the period.

Total payments to the Artistic Director for directing services under the employment contract and to Music Director under freelance contracts are included within the bands for higher paid employees disclosed in note 10. All services are provided at the current commercial rate on terms similar to other directors and conductors engaged by ENO during the year.

ENO Productions Limited made a donation in the year to ENO of £nil (2018 - £142,122). At 31 July 2018 ENO owed ENO Productions Limited £30,371 (£2018 £30,371).

22 Refund on overpayment of VAT

	2019		2018	
	Group £'000	Company £'000	Group £'000	Company £'000
Refund on overpayment of VAT	1,136	1,136	-	-

During the year, ENO lodged a claim with HRMC that production costs should be recovered at the same rate as commercial activities. The HRMC agreed this case and the above amount was received by ENO on 12th November 2019. As the work was carried out during the financial year and there was reasonable certainty that it would be received at year end, it is included in the accounts.

23 Post Balance Sheet Events

As at the 31 July 2019 balance sheet date Covid-19 had not been identified as a virus and no cases were known. Subsequent to the balance sheet data, the World Health Organisation declared a pandemic on 11 March 2020, the UK Government moved to the 'delay' phase of its response announcing social distancing measures on 16 March 2020. These advised that "public venues such as theatres should no longer be visited". In line with other members of the Society of West End Theatres, the ENO closed the London Coliseum on 16 March 2020 to the public. On 23 March 2020 the government issued the unprecedented 'Stay at Home' restrictions. Since that date only a small number of staff have continued to work, from home, whilst the majority of staff have been furloughed. In July 2020, the government announced that, as a step to reopening the economy, live performance could recommence with social distancing measures from August. The London Coliseum will not reopen until it is safe and financially prudent to do so and so at the time of signing the theatre remains closed. Given the uncertainty as to when the theatre will reopen, and the levels of audiences whilst the threat of the virus remains, it has not been possible to estimate the final financial impact. At 31 July 2020, the Company's investments and cash, in total, remained broadly consistent with that at 31 July 2019.

As Covid-19 was not known at the balance sheet date, it is a non-adjusting post balance sheet event.